

## MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting  
Sault Ste. Marie, Michigan  
September 11, 2002

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Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met at the Kewadin Hotel and Conference Center, 2186 Shunk Road, Sault Ste. Marie, on Wednesday, September 11, 2002, commencing at the hour of approximately 10:00 a.m.

### Members Present

Fred Rakunas, Vice Chair  
Lowell E. Kraft, Commissioner  
Sidney Adams, Jr., Commissioner  
Alice Gustafson, Commissioner  
Barbara Hayes, Commissioner  
Brig. Gen. Ron Seely, Commissioner  
Guy Gordon, Commissioner  
William E. Gehman, Director  
Barbara Burris, Exec. Assistant  
Pat Isom, Legal Counsel

### From the Bureau of Aeronautics

David Baker, Airports Division  
Tom Krashen, Airports Division  
Rick Hammond, Airports Division  
Pauline Misjak, Aviation Services Division  
Randy Coller, Airports Division  
Gerry Edwards, Aviation Services Division

### Members Absent

Robert Bender, Chair  
Capt. John Ort, Commissioner

### Also Present

William Blake, AOPA  
Archie Yawn, ATA/Northwest Airlines  
Jim Koslosky, G.R. Ford International  
Phil Johnson, G.R. Ford International  
John Strehl, Antrim County  
Edd Maynard, Wexford County  
Ellen Engler, Bad Axe  
Sandra Lamothe, Houghton County  
Kent Maurer, Jackson County-Reynolds  
Kathy Noel, Chippewa County Intl.  
Jeff Thornton, Owosso  
Michael Lynn, Capital City  
Ron Ludema, Tulip City  
Bill Kazen, Marinette Twin  
Del Fairbanks, DTW  
Steve Cassens, Cherry Capital  
Kelley Atkins, Pellston Regional

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A list of all others present is attached to the official minutes.

Vice Chairman Fred Rakunas called the meeting to order at 10:05 a.m. He welcomed all in attendance. He noted the absences of Chairman Bob Bender and Commissioner Ort.

During introductory remarks, he noted that Bill Gehman, after 28 years with the Bureau of Aeronautics, the past 17 as Director, would be retiring from state service at the end of October.

The Chair proceeded to introduce notable guests in the audience: Archie Yawn of Northwest Airlines, Bill Blake of the Aircraft Owners and Pilots Association, Jim Koslosky of Gerald R. Ford International, and Edd Maynard of Cadillac. Additionally, he noted the recent retirements of staff from the Bureau of Aeronautics; that of Jim Downer and Oliver House. He deferred to Commissioner Hayes, Chief Administrative Officer for MDOT, to introduce staff replacing individuals retiring from state government.

Ms. Hayes introduced the three newest members of the MDOT staff:

Leon Hank, Chief Administrative Officer

Selected to succeed Ms. Hayes as the Chief Administrative Officer, Mr. Hank will oversee the Bureaus of Finance and Administration; Transportation Planning; the combined bureaus of UPTRAN and Aeronautics; and the national and international bridges.

Prior to his appointment in June 2002, Mr. Hank directed the Office of Financial Management for the State of Michigan's State Budget Office. He served as the state's financial controller, responsible for publishing the State of Michigan's financial statements, processing payroll for 64,000 employees, providing accounting services, and coordinating effective internal control throughout all of the state's 20 departments. A licensed CPA, Mr. Hank's distinguished state career spans 26 years, including various finance and technology positions in four state departments. He earned a Master's Degree in Business Administration from Michigan State University and a Finance Degree from Central Michigan University. Mr. Hank also serves as an elected trustee on the Holt Public Schools Board of Education and chairs the National Association of State Controllers (NASC) Committee on Accounting and Financial Reporting.

Commissioner Hayes asked the audience to welcome Mr. Hank as the new Chief Administrator for the Michigan Department of Transportation. (Applause.)

Rob Abent, Director of the Bureau of Multi-Modal Transportation

Mr. Abent began his public service career in 1978, with the Michigan Department of Mental Health. While pursuing a Graduate Degree in Public Administration from Michigan State University he worked as a budget analyst with Ingham County Financial Services and with the City of East Lansing as a personnel assistant.

Mr. Abent worked several years with the Department of Education and spent nearly 13 years with the Michigan Senate Fiscal Agency, a non-partisan agency of the Michigan Legislature, first as a fiscal analyst and subsequently as chief analyst for Education and Economic Development budgets.

In 1997, Mr Abent was recruited to the Michigan Department of Natural Resources (DNR) as Chief of the Budget and Program Support Division and during that time was a principal in re-engineering administrative services in the DNR.

For the past four years, Mr. Abent has served as Chief of Finance and Operations Services for the DNR.

Commissioner Hayes asked the audience to welcome Mr. Abent. (Applause.)

Ron Seely, Director of Airports, Bureau of Multi-Modal Transportation

Brigadier General Ronald Seely, already well known to most in the room, has served on the Aeronautics Commission since 1992, and comes to the department from the Department of Military and Veterans Affairs, where he served in a dual role as Assistant Adjutant General for Air, Michigan National Guard, and Deputy Director of the Department of Military and Veterans Affairs.

A 1964 graduate of Ball State University, Brig. General Seely was commissioned a Second Lieutenant in the Air Force and spent the next five years on active duty. He left the Air Force as a Captain in 1969, and joined the Air Guard in Illinois, transferring to the Michigan Air National Guard in 1971.

Brig. General Seely is the fourth Assistant Adjutant General for Air in the history of the State of Michigan. In his position with the Department of Military and Veterans Affairs, he was responsible for the leadership and management of three major Air National Guard Installations located at Selfridge Air National Guard Base, Mt. Clemens; Battle Creek Air National Guard Base, Battle Creek; and Phelps Collins Combat Readiness Training Center in Alpena. His span of control and oversight responsibilities exceeded 3,100 Air National Guard members.

The recipient of numerous military awards and decorations, Brig. General Seely is a Command Pilot with more than 6,900 flying hours in various jet aircraft. He holds a Bachelor's Degree in Business Administration, a Master's in National Security and Strategic Studies, and a Master's of Science in Management.

Commissioner Hayes asked the audience to welcome Mr. Seely. (Applause.)

Vice Chairman Rakunas welcomed them as well. He then invited the Commissioners present to

speak on their relationship with Director Gehman on his last day as Director.

Commissioners Seely, Kraft, Gustafson, Adams, Hayes, and Gordon provided personal remarks and anecdotal stories of their relationship with Director Gehman and congratulated him on his retirement.

## I. AWARDS

### MAC Awards of Excellence

In 1990, the Michigan Aeronautics Commission established a tradition of acknowledging the outstanding achievements of individuals and groups in the field of aviation. In a brief ceremony, awards were presented by the Vice Chair and Director Gehman to Senator Walter North (individual) and the State Bar of Michigan-Aviation Section (group).

The Vice Chair asked Senator North to join him and Director Gehman at the podium.

Director Gehman commented on his long-standing relationship with Senator North, which began before the senator's career in politics. He noted that Senator North had previously worked for MDOT in the capacity of Executive Secretary of the Mackinac Bridge Authority. Director Gehman thanked Senator North for his commitment and support of aviation over the years. He read from the plaque:

“In recognition of your continuing commitment to aviation in Michigan by serving as a member and chairman of the Legislative Aviation Caucus Committee, and for being an advocate for airports enhancing economic development and quality of life for Michigan citizens.” (Applause.)

The Senator, upon accepting his plaque, welcomed the Commissioners to Sault St. Marie. He praised the cooperative efforts of the staff of the Bureau of Aeronautics and Director Gehman. He thanked the Commission for the award.

Attorneys Don Frank and Eric Richard joined the Vice Chair and the Director at the podium.

Director Gehman commended the Aviation Section of the State Bar of Michigan for its role in furthering aviation through publications and educational seminars. He read from the plaque:

“In recognition of an ongoing commitment to improving aviation in Michigan through numerous educational efforts and by acting as an advocate for legislation affecting Michigan's aeronautical resources and infrastructure.” (Applause.)

Attorney Richard thanked the Commission for acknowledging the ten-year existence of the Aviation Law Section, a sub-group of the State Bar of Michigan consisting of attorneys with an interest in legal issues relating to aviation. He indicated that in addition to a newsletter, the group hosts seminars for the aviation community covering issues that affect pilots. He thanked the bureau for its support and assistance over the years and its efforts (post 9-11) to preserve the freedom to fly while enhancing security at airports.

Attorney Frank thanked Director Gehman for his support in establishing positive communication between the State Bar and staff of the Bureau of Aeronautics.

## II. COMMISSION BUSINESS

### A. Minutes of July 17, 2002

Returning to the agenda, the Chairman entertained corrections or changes to the minutes of July 17, 2002. Hearing none, he called for a vote on approval of the minutes.

Moved by Commissioner Gustafson, with support from Commissioner Adams, to approve the minutes of July 17, 2002, as recorded. MOTION CARRIED.

The Chair called on David Baker, Programming Manager, Airports Division, to present the airport development projects for Commission approval.

### B. Airport Development Program

With the aid of PowerPoint, Mr. Baker briefed the Commissioners on 12 airport improvement projects pending Commission approval and responded to questions posed by the Commissioners.

#### Federal/State/Local and State/Local Projects

Location	Total Allocation	Project Description
Beaver Island Beaver Island	\$ 166,666	Acquire Hangar and Snow Removal Equipment Building
Bishop International Flint	\$ 500,000	Rehabilitate Taxiway C; Purchase Fingerprint Equipment; Blast Assessment Study
Memorial Airpark Grand Haven	\$ 20,000	Design of Approach Clearing

Gerald R. Ford International Grand Rapids	\$ 1,184,847	Security Fencing; Security Interactive Training; Security Vehicle; Design of Security Access Control; Security Fingerprint Equipment; Security Training for Live Scan Fingerprinting
Greenville Municipal Greenville	\$ 166,666	Purchase of Easement; Tree Clearing
Tulip City Holland	\$ 5,555,554	Extend Runway (Tunnel) - Phase IV
Suburban Lambertville	\$ 300,000	Land Acquisition for Runway Protection Zone
Pellston Regional Pellston	\$ 2,835,263	Construct Terminal Building - Phase II
St. Clair County International Port Huron	\$ 166,666	Design of Apron Reconstruction and Drainage Improvements
Prickett-Grooms Field Sidnaw	\$ 5,000	Appraisal of School Property for Possible Sale
Cherry Capital Traverse City	\$ 12,926,465	Construct Terminal Building - Phase III; Water and Sewer - Parts A/B; Flight Information Systems/Signs; Passenger Loading Bridges; Entrance Road; Service Road/Utilities; Security Access Control System; Fingerprint Equipment
White Cloud White Cloud	\$ 32,000	Design for the Rehabilitation and Widening of Runway

The Vice Chair entertained questions and/or comments from the Commission on the projects presented by Mr. Baker. Hearing none, he called for a vote to approve the transfers as presented.

Moved by Commissioner Adams, with support from Commissioner Gustafson, to approve the transfers as presented. MOTION CARRIED.

In addition to the 12 transfers, Mr. Baker identified two supplemental transfers completed since the last Commission meeting: 1) Iosco County Airport - an 11 percent increase in the total project cost for major crack repair of runway 8/26, including construction supervision; and 2) Capital City Airport - an increase in the local share in the amount of \$153,000 for the hangar area sewer and water system, bringing the total local share to \$409,000.

Mr. Baker noted that no official action is required on the supplemental transfers.

The Vice Chair called on Rick Hammond, Airports Division, to brief the Commission on 48 Airport Approach Protection Plans.

C. Airport Approach Plan Declarations

In accordance with the Commission's ongoing efforts to adopt approach protection plans for all airports in the state, staff of the Bureau of Aeronautics have developed approach protection plans for 13 additional airports in the state:

Big Rapids - Roben Hood; Detroit - Berz-Macomb; Hessel - Lindberg;  
Ishpeming - Johnson Field; Lake City - Home Acres; Ludington - Mason  
County; Mackinac Island - Mackinac Island; Mecosta - Morton; Mecosta -  
Canadian Lakes; Moorestown - Moorestown Airpark; New Haven -  
Macomb; Rock - Bonnie Field; Stanwood - Cain Field.

Mr. Hammond noted that 157 airports now have approach protection plans in place. Thus, nearly 100 percent of the public use airports in the state now have some rules in place relative to their approach areas. Standards applied to each airport are in accordance with FAR Part 77 requirements. Protection criteria for VORs have been included in the approach protection plans.

Mr. Hammond asked for approval of the 13 approach protection plans identified. The plans will be forwarded to local zoning agencies for inclusion in their master plans.

The Vice Chair entertained a vote on the approval of the 13 approach protection plans presented.

Moved by Commissioner Kraft, with support from Commissioner Seely, to approve the 13 approach protection plans presented by Mr. Hammond. MOTION CARRIED.

The Vice Chair recalled Mr. Hammond to present the next item on the agenda.

D. Hazard Area Declaration for Kent City Wilderness Airport

Mr. Hammond described a situation existing at the Kent City-Wilderness Airport, a privately owned, open to the public airport on the west side of the state where poplar trees have been allowed to grow to a height which penetrates the runway's approach. For many years, the property had been kept clear by the previous owners. However, the property has changed hands, and the current owner has been uncooperative. As a result, trees have been allowed to grow up into the approach of runway 09. The trees have been appraised at a value of \$600, but efforts have failed to either clear or purchase the rights to the trees. Airport inspectors have made note of this increasingly unsafe condition in annual inspection reports. The owners of the airport have requested that the bureau evaluate the situation and declare the trees encroaching on the approach path a hazard.

Under provisions of the Michigan Aeronautics Code (MCL259.152-154), obstructions which have been declared a hazard by the Commission are declared to be a public nuisance. Accordingly, based on discussions with legal counsel, once steps are taken to declare the situation a hazard, it becomes necessary to move immediately to negate the hazard. It would therefore be incumbent on the airport to take the necessary steps to have the trees removed or decrease the length of the runway. The airport is aware and prepared to deal with this responsibility.

Mr. Hammond requested that the Commission declare the trees and foliage penetrating the approach path to runway 09 a hazard; and further, to delegate to Director Gehman the task of issuing a Declaration of Hazard and, if necessary, an Order to Abate.

Mr. Isom concurred with the details presented by Mr. Hammond.

The Vice Chair entertained a motion directing Director Gehman to issue a Declaration of Hazard and Order to Abate.

Moved by Commissioner Adams, with support from Commissioner Gustafson, to authorize the Director to take the necessary action to negate the hazardous situation existing at the Kent City-Wilderness Airport. MOTION CARRIED.



Commissioner Gustafson inquired about recourse available to the owners of the airport if the land owner refuses to clear the trees.

Whereupon, Mr. Isom explained that the statutes provide that if the owner refuses to take action to abate the hazard, in whatever manner, the use of the airport must be restricted.

Mr. Hammond referenced a similar situation at the Marine City Airport in years past which resulted in a lawsuit. He advised that the laws pertaining to condemnation would be applicable. He added, it is the bureau's responsibility to make sure that safe approaches are maintained in some way, up to and including closure of the runway.

The Vice Chair thanked Mr. Hammond. He called on Pauline Misjak, Aviation Services, to present the next item on the agenda.

### III. DISCUSSION

#### A. Fiscal Year 03 Budget Update

Ms. Misjak provided an overview of the operating budget beginning October 1, 2002 through September 30, 2003.

The operating budget is used to cover bureau administrative costs, bureau administration and the Aeronautics Commission, and includes funding for some programs: Aviation Safety and Education, annual airport inspections, the All-Weather Airport Access program, the Tall Structures review, publications such as *Michigan Aviation*, charts and directories, and the Air Service program, among other bureau responsibilities. The budget is funded 100 percent through the state Aeronautics Fund.

For a perspective on the budget, Ms. Misjak indicated that the fiscal 03 budget would be similar to fiscal 02. The primary source of funding for the state Aeronautics Fund is the aviation fuel tax. Other funding sources include interest earnings, permits and service fees, and miscellaneous items. In fiscal 01, the state Aeronautics Fund collected \$8.5 million in revenue, with 78 percent derived from the fuel tax. A downturn in the economy beginning in fiscal year 01 was exacerbated by the events of September 11, 2001, the decline in air travel and the business climate of today. The latest official estimates for the current fiscal year indicate a funding level of \$7.8 million, an eight percent decline from the previous year. Actual aviation fuel revenues for fiscal 02 are lagging 13 percent behind the previous fiscal year. The rate of decline improved slightly in mid-year. Ms. Misjak attributed this change to scheduled air carriers increasing the amount of service provided. She indicated that the bureau must monitor and adjust actual operations as guided by updated revenue forecasts and current collections.

In light of the data on revenue decline, the bureau has implemented cost-saving steps in the first and second quarters of the current fiscal year, including holding open two staff vacancies, reducing the publication of *Michigan Aviation* from bi-monthly to quarterly, delaying the purchase of computer equipment, windsocks and cones, eliminating funding for the purchase of equipment for the All-Weather Airport Access program, equipment enhancements for Aeronautics planes, and reducing funding for the Aviation and Safety Education program. In addition, the Air Service program has been reduced by \$200,000.

In fiscal year 03, the total operating budget, again based on the most recent revenue data, is set at \$7.9 million, \$43,000 more than the current fiscal 02 budget. Eighty-three percent of the projected revenues are projected to come from the aviation fuel tax.

Ms. Misjak listed budget disbursements as follows: 16 percent for services Aeronautics receives from other state agencies; 13 percent (\$1 million) for capital outlay for the Airport Improvement Program (matching federal and local funds); four percent for the Air Service program; and 67 percent for Aeronautics operations, such as administration, including those programs and activities described previously. Cost-saving efforts implemented in early fiscal 02 will be continued in fiscal 03. In addition, many early-out retirement vacancies will go unfilled. The bureau has also implemented cost-saving initiatives to better account for the cost of the bureau's programs funded by the operating budget. Ms. Misjak indicated that if revenue collections do not improve, further changes in the Aeronautics operations and program activities will be necessary. She invited questions from the Commissioners.

Commissioner Kraft remarked on the benefit of an increase in the aviation fuel tax and recommended that measures be undertaken to increase and dedicate revenues within the state for the Aeronautics Fund.

The Vice Chair called on Director Bill Gehman to present the next Discussion item.

B. Aviation Hall of Fame

Director Gehman praised the efforts of the Michigan Aviation Hall of Fame to honor historical aviators. A request has been made that the Commission consider granting a portion of the funding needed (\$5,000) to maintain and advance these activities. A formal request will be made at a future meeting of the Commission. He asked that the Commission consider favoring the request in spite of the prevailing economic conditions.

Before proceeding to Public Comment, the Vice Chair shared his sentiments on the tragic events of September 11, 2001.

The Vice Chair called on Ms. Karen Lipovsky, Clare County Commissioner, who had submitted a request to appear before the Commission.

#### IV. PUBLIC COMMENT

Ms. Lipovsky presented a handout for review by the Commission (attached) and provided a briefing on the uses of the Clare County Airport, located in Harrison. The airport is used extensively by law enforcement; for medical air evacuations; and for search and rescue operations. The airport has been classified by the Bureau of Aeronautics as a Tier 3 airport. Ms. Lipovsky asked that the Commission consider reclassifying the airport as a Tier 2 airport, which would make it eligible for funding for needed expansion and improvements. She thanked the Commissioners for the opportunity to appear before them.

The Vice Chair thanked Ms. Lipovsky. Commissioner Kraft applauded the supportive actions of local officials.

Dr. Phil Tartalone of the Bureau of Aeronautics reported on the impending Great Lakes International Aviation Conference, scheduled for January 17, 18 and 19, at the Kellogg Convention Center in East Lansing. He noted that this year will be the 100<sup>th</sup> anniversary of the power of flight. He listed the numerous historical speakers scheduled to appear at the conference. He invited the Commissioners to attend.

There being no further public comment requests, the Vice Chair proceeded to the next item on the agenda. He recognized Commissioner Gustafson, Chair of the Nominating Committee.

#### V. ELECTION OF OFFICERS

Whereupon Commissioner Gustafson, on behalf of the Nominating Committee, submitted the names of Fred Rakunas for Chair and Sidney Adams for Vice Chair.

A motion was made by Commissioner Kraft to close the nominations. The motion was seconded by Commissioner Seely. MOTION CARRIED.

The Vice Chair thanked the Commissioners for their support. He praised the dedication of the staff of the Bureau of Aeronautics.

A request to speak from Director Gehman was noted. Whereupon, he shared his thoughts on ending a 17-year career with the Bureau of Aeronautics. He thanked the Commissioners for their support over the years. (Applause.)

The Vice Chair announced that a luncheon would be served in the main dining room, where keynote speaker Sandy Munro of Munro & Associates was scheduled to speak on the "Small Airport Transportation System (SATS)." He declared the meeting adjourned at 11:15 a.m.

The next meeting of the Aeronautics Commission will be held on November 20, 2002, in the Aeronautics Auditorium, 2700 E. Airport Service Drive, Lansing, commencing at 10:00 a.m.



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Director

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Chairman

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Dated